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FACTS: ABOUT:

PROGRAMS OF USDA'S AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service (AMS) helps the private marketing system move food and other farm products from producer to consumer quickly, efficiently, and fairly.

AMS, through programs authorized by Congress, is responsible for:

- Establishing standards for grades indicating quality of food and farm products, and providing grading services for most of these commodities;
- Administering marketing agreements and orders for fruits, vegetables, related specialty crops, and milk;
- Providing market reporting services on grain, livestock, meat, poultry, eggs, fruits, vegetables, honey, peanuts, ornamental crops, dairy products, cotton, and tobacco;
- Promoting fair trade practices in marketing agricultural products;
- Purchasing food for USDA food assistance programs and promoting uniformity in food purchasing done by civilian and military agencies of the Federal Government;
- Overseeing research and promotion programs conducted by industry for several commodities;
- Enhancing food safety;
- Conducting research to find better ways of marketing farm products at lowest possible cost.

Standardization and Grading

AMS develops grade standards for meat; cattle; swine; wool; poultry; eggs; dairy products; fresh, frozen, canned, and dried fruits and vegetables; cotton; tobacco; spirits of turpentine; and rosin. These standards, and AMS' grading services, provide buyers and sellers with an impartial appraisal of the quality of what is being sold and help farmers receive fair prices for their products.

Grading services for food, livestock, cotton, and naval stores are available on request and for a fee paid by the users. Tobacco grading, by law, is mandatory under certain circumstances, and is provided for a fee. AMS carries out many of the commodity grading services in cooperation with State Departments of Agriculture.

Marketing Agreements and Orders

Marketing agreements and orders are designed to provide returns to producers that assure an adequate supply of milk, fruits, and vegetables in the marketplace.

Federal milk marketing orders establish

minimum prices, based upon supply and demand conditions, at which milk handlers or dealers may buy milk from dairy farmers. At present, 46 milk orders operate in different parts of the country.

Growers of certain fruits, vegetables, and such specialty crops as spearmint oil, hops, and some nut crops use marketing agreement and order programs to bring greater stability and orderliness to marketing. There are presently 48 such programs covering crops grown in 37 States with a farm value of about \$6 billion.

Marketing orders are issued by the Secretary of Agriculture only after a public hearing where views of producers, marketers, and consumers are considered, and after approval by vote of the producers.

Marketing orders for crops often contain provisions that pertain to quality, quantity, or both. Many of the programs also have research and development authority, which permits the industries to carry out projects that develop market outlets and improve marketing efficiency, and to advertise and promote consumption of the products.

In January of 1982 guidelines were issued to influence future Government decisions and industry actions under the crop marketing orders. The guidelines, available from AMS, are intended to provide growers, handlers, and others with a better understanding of what the marketing orders should and should not do.

Market News Services

The Federal-State Market News Service reports up-to-the-minute information on prices, movement, supply, and demand for most agricultural commodities. This information aids producers, wholesalers, and others in the marketing chain in deciding where and when to buy or sell. The agricultural industry voluntarily provides the information on which market news reports are based.

The market news reporters collect information daily from buyers and sellers at points where commodities are produced and marketed. This information is distributed rapidly through AMS' nationwide telecommunication system. It is then released by telephone, mail, and commercial wire services, and through newspapers, radio, and television.

Automatic telephone answering devices provide market information to buyers and sellers 24 hours a day in many areas. For a directory, write AMS.

User fees became effective in August of 1982 for the printed reports that are mailed.

Promoting Fair Trade Practices

AMS also has responsibility for programs established by the following legislation:

- Perishable Agricultural Commodities Act, which encourages fair trading practices, including prompt payment, in marketing fruits and vegetables. It prohibits unfair and fraudulent business practices and sets penalties for violations.

- Plant Variety Protection Act, which extends patent-type protection to developers of new plant varieties that reproduce through seeds. Developers apply to AMS for certificates of protection. If AMS examiners determine that the variety actually is novel and entitled to protection, the holders of certificates can turn to the courts for protection in the same way patent holders can protect their inventions from exploitation by others.

- Federal Seed Act, which requires that all agricultural and vegetable seeds shipped interstate be truthfully labeled. It prohibits false advertising and prohibits imports of seed lots containing undesirable components.

- Agricultural Fair Practices Act, which enables farmers to file complaints with AMS if processors refuse to deal with them because they are members of a producers' bargaining or marketing association.

- U.S. Warehouse Act, which authorizes AMS to conduct a voluntary warehouse licensing system and a program of periodic examinations of licensed warehouses and their contents to help prevent deterioration and loss of stored products.

- Export Fruit Acts, which authorize regulation of the quality of exports of apples, pears, grapes, and plums to protect the reputation of U.S.-produced fruit in international markets.

Food Purchasing

AMS purchases food for distribution through programs of the Food and Nutrition Service: the School Lunch Program; Nutrition Programs for the Elderly; and the Supplemental Food Program for Women, Infants, and Children. Food customarily purchased includes meat and meat products, poultry and poultry products, fish, processed and fresh fruits and vegetables, and dry beans.

A Government-wide food quality assurance program that AMS has carried out since 1979 helps make sure the Federal Government buys its food as efficiently and economically as possible. The program eliminates overlap and duplication among Federal agencies in food buying. It also encourages bidding by food processors on Government contracts.

Research and Promotion Programs

AMS monitors industry-sponsored research and promotion programs authorized by legislation for various commodities -- currently cotton, potatoes, wheat, wool, mohair, lamb, and eggs. The programs enable producers and handlers to develop projects that expand market outlets for their commodities and to solve production and marketing problems. AMS has the responsibility for insuring that activities under the programs are carried out according to the intent of Congress.

Enhancing Food Safety

AMS administers the Egg Products Inspection Act, which assures that eggs and egg products that reach the consumer are wholesome and unadulterated. AMS provides continuous inspection in all plants processing liquid, dried, or frozen egg products.

Market Research and Development

AMS researchers focus on facilities, equipment, commodities, and techniques to improve handling, processing, packaging, storage, and distribution of agricultural products. Some of the work, for instance, is aimed at helping cities to develop modern, efficient wholesale markets and to find ways of speeding up delivery of perishable foods to retail stores.

For More Information

If you would like more information about any of these programs, write to: Information Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250.

